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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-922, A-583-842, C-570-923

Raw Flexible Magnets from the People's Republic of China and Taiwan: Continuation of Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) and the International Trade Commission (ITC) have determined that revocation of the antidumping duty (AD) orders on raw flexible magnets from the People's Republic of China (PRC) and Taiwan would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States. The Department and the ITC have also determined that revocation of the countervailing duty (CVD) order on raw flexible magnets from the PRC would likely lead to continuation or recurrence of net countervailable subsidies and material injury to an industry in the United States. Therefore, the Department is publishing a notice of continuation for these AD and CVD orders.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION: Michael A. Romani (AD) or Kristen Johnson (CVD), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0198 or (202) 482-4793, respectively.

SUPPLEMENTARY INFORMATION

Background

On August 1, 2013, the Department initiated¹ and the ITC instituted² five-year (sunset reviews) of the AD orders on raw flexible magnets from the PRC and Taiwan,³ and the CVD order on raw flexible magnets from the PRC,⁴ pursuant to sections 751(c) and 752(a) of the Tariff Act of 1930, as amended (the Act). As a result of its reviews, the Department determined that revocation of the AD orders would likely lead to continuation or recurrence of dumping and that revocation of the CVD order would likely lead to continuation or recurrence of net countervailable subsidies, and therefore, notified the ITC of the magnitude of the margins and the subsidy rates likely to prevail should the orders be revoked.⁵

On January 15, 2014, pursuant to sections 751(c)(1) and 752(a) of the Act, the ITC determined that revocation of the AD orders on raw flexible magnets from the PRC and Taiwan and the CVD order on raw flexible magnets from the PRC would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁶

¹ See *Initiation of Five-Year (“Sunset”) Reviews*, 78 FR 46575 (August 1, 2013).

² See *Raw Flexible Magnets From China and Taiwan; Institution of Five-Year Reviews*, 78 FR 46604 (August 1, 2013).

³ On September 17, 2008, the Department published the following AD orders: *Antidumping Duty Order: Raw Flexible Magnets from the People’s Republic of China*, 73 FR 53847 (September 17, 2008), and *Antidumping Duty Order: Raw Flexible Magnets from Taiwan*, 73 FR 53848 (September 17, 2008).

⁴ On September 17, 2008, the Department published the following CVD order: *Raw Flexible Magnets from the People’s Republic of China: Countervailing Duty Order*, 73 FR 53849 (September 17, 2008).

⁵ See *Raw Flexible Magnets from the People’s Republic of China and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 78 FR 77423 (December 23, 2013), and *Raw Flexible Magnets From the People’s Republic of China: Final Results of Expedited Sunset Review*, 78 FR 77425 (December 23, 2013).

⁶ See *Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (*Review*), ITC Publication 4449 (January 2014); see also *Raw Flexible Magnets from China and Taiwan*, 79 FR 3623 (January 22, 2014).

Scope of the Orders

The products covered by these orders are certain flexible magnets regardless of shape,⁷ color, or packaging.⁸ Subject flexible magnets are bonded magnets composed (not necessarily exclusively) of (i) any one or combination of various flexible binders (such as polymers or copolymers, or rubber) and (ii) a magnetic element, which may consist of a ferrite permanent magnet material (commonly, strontium or barium ferrite, or a combination of the two), a metal alloy (such as NdFeB or Alnico), any combination of the foregoing with each other or any other material, or any other material capable of being permanently magnetized.

Subject flexible magnets may be in either magnetized or unmagnetized (including demagnetized) condition, and may or may not be fully or partially laminated or fully or partially bonded with paper, plastic, or other material, of any composition and/or color. Subject flexible magnets may be uncoated or may be coated with an adhesive or any other coating or combination of coatings.

Specifically excluded from the scope of these orders are printed flexible magnets, defined as flexible magnets (including individual magnets) that are laminated or bonded with paper, plastic, or other material if such paper, plastic, or other material bears printed text and/or images, including but not limited to business cards, calendars, poetry, sports event schedules, business promotions, decorative motifs, and the like. This exclusion does not apply to such printed flexible magnets if the printing concerned consists of only the following: a trade mark or trade name; country of origin; border, stripes, or lines; any printing that is removed in the course of cutting and/or printing magnets for retail sale or other disposition from the flexible magnet; manufacturing or use instructions (*e.g.*, “print this side up,” “this side up,” “lamine here”);

⁷ The term “shape” includes, but is not limited to profiles, which are flexible magnets with a non-rectangular cross-section.

⁸ Packaging includes retail or specialty packaging such as digital printer cartridges.

printing on adhesive backing (that is, material to be removed in order to expose adhesive for use such as application of laminate) or on any other covering that is removed from the flexible magnet prior or subsequent to final printing and before use; non-permanent printing (that is, printing in a medium that facilitates easy removal, permitting the flexible magnet to be re-printed); printing on the back (magnetic) side; or any combination of the above.

All products meeting the physical description of subject merchandise that are not specifically excluded are within the scope of these orders. The products subject to the orders are currently classifiable principally under subheadings 8505.19.10 and 8505.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided only for convenience and customs purposes; the written description of the scope of the orders is dispositive.

Continuation of the Orders

As a result of the determinations by the Department and the ITC that revocation of these AD and CVD orders would likely lead to continuation or recurrence of dumping or a countervailable subsidy, and of material injury to an industry in the United States, pursuant to sections 751(c) and 751(d)(2) of the Act, the Department hereby orders the continuation of the AD orders on raw flexible magnets from the PRC and Taiwan, and the CVD order on raw flexible magnets from the PRC.

U.S. Customs and Border Protection will continue to collect antidumping duty cash deposits at the rates in effect at the time of entry for all imports of subject merchandise. The effective date of continuation of these orders will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act, the Department

intends to initiate the next sunset reviews of these orders not later than 30 days prior to the fifth anniversary of the effective date of continuation.

These sunset reviews and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

January 29, 2014
Date

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